

INDIANA TOURISM COUNCIL

2002 Annual Report on Tourism

Historic Events Create Tourism Industry Turbulence

In 2001, economic conditions along with the events of September 11, subsequent military actions, and anthrax scares left the state of the travel and tourism industry in the U.S. in crisis. The following facts, compiled from Travel Industry Association of America (TIA) research, indicate that, in 2001:

1. Total domestic travel volume in America will have decreased 3.5 percent below 2000 levels to 962.3 million person-trips.
2. Nearly \$43 billion in spending by domestic and international travelers will have been lost.
3. 527,400 jobs directly related to travel and tourism will be lost in 2001/2002 from 2000 levels.
4. A number of Americans continue to feel that they are not able to travel wherever or whenever they want (15%), or that they are not able to travel as they did before the terrorist attacks (28%).
5. Thirty-one of 38 states (responding) report that tourism revenues have declined since September 2001, and 20 states report subsequent Tourism office budget reductions.
6. Following the 1990-91 national recession, it took one additional year for the travel and tourism industry to recover. Weak consumer confidence and safety concerns mean that recovery may take longer than expected in this climate.

The Effects on Indiana's Tourism Economy

Some Indiana communities and attractions report increases in 2001 visitation. However, while few Indiana communities reported hospitality employment layoffs, hotel occupancy rates and room tax collections were generally down five to 15% statewide when compared to 2000, particularly in the business travel sector. Immediately following September 11, some destinations reported additional losses, although business bounced back to near normal levels beginning the second week after the disaster.

Declining state tax revenues led to the suspension of the Indiana Department of Commerce Tourism Division's Tourism Information and Promotion grant fund and several marketing programs. In addition, the Indiana Department of Natural Resources took a permanent \$8.2 million budget cut, significantly affecting the product available to Indiana travelers. All state agency budgets continue to be at risk for further reductions.

The Outlook: Cautious Optimism

After months of negative news, a light has begun to flicker at the end of the economic tunnel...

- In addition to the 0.2% fourth quarter 2001 gain in GDP, the unemployment rate fell to 5.6% in January.
- Although total employment is not expected to fully return to its pre-recession level during 2002, the economy will begin to add jobs that were lost during the downturn.
- The Conference Board's consumer confidence index posted gains in both December and January but lost some ground in February.
- The latest TIA Travel Confidence Survey (December 2001) shows that travel safety concerns were less prominent, with 4% mentioning safety as a reason for not traveling versus a previously-reported 14%. New figures will be released this week.
- Real disposable personal income is projected to increase 2.1% in 2002 – a relatively solid performance in historical terms. The restaurant sector in particular is driven by cash on hand, suggesting modest gains in 2002.
- The Indiana Tourism Division's research suggests that response to advertising, resulting travel, and web site usage remained strong in 2001, even in the fourth quarter.

However, the Indiana University Kelley School of Business Center for Econometric Model Research (November 28, 2001) predicted that:

"With significant declines in all employment categories and real income, the outlook for Indiana in 2001 and 2002 is 'rather gloomy.' Although real personal income shows a small positive growth for 2001, the negative figures for 2002 are somewhat discouraging. Nevertheless, we remain optimistic about a recovery for the Indiana economy in 2003."

Meeting the Challenge

In the fall of 2001, the federal government began asking U.S. residents to support the fledgling economy by "getting back to our normal lifestyles." While "nesting" was a prevalent emotional response to the events and the economy, citizens remain receptive to and comfortable with close-to-home travel experiences.

The most recent research indicates that factors that would motivate non-travelers to take a trip include a stronger economy, hotel discounts/offers, and attractive discounts to travel within their home state. Drive-to destinations appear to be experiencing far less difficulty than destinations dependent upon air travelers.

Despite budget reductions at the state and local levels, Indiana's tourism industry is in an excellent position to support these trends since it has been promoting affordable weekend getaway travel for several years.

Several exciting developments slated for the near future also create opportunities for Indiana to generate regional, national, and international attention, including the fact that:

- Indiana continues to attract and host international events including the U.S. Grand Prix, World Basketball Championships, the International Hovercraft Championships, the International Violin Competition, and more.
- The Indiana State Museum will open in 2002.
- Indianapolis will host the American Bus Association annual convention (the nation's largest and most prestigious conference for tour operators) in February 2003.
- Clarksville will present the second of 13 national signature events celebrating the Lewis & Clark Bicentennial in October 2003.

Finally, as one of the sectors hardest hit by both the terrorist attacks and the economic downturn, the media continues to focus on travel and tourism. This has, in a sense, elevated the industry's position as an economic force. The newfound media interest is a chance for Indiana to communicate the importance of visitor spending on our economy.

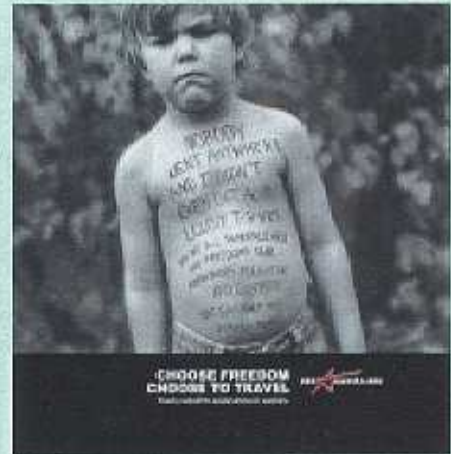
"Travel and tourism is often referred to as the 'New Economy.' But that implies we are an up-and-coming phenomenon. Given the statistics, one can argue that travel and tourism have arrived. We are a pillar of the national and world economies."

"I like to tell audiences about the jobs, income and the tax revenues provided by the travel industry. But as one member of TIA stated, 'Travel enlightens us all and allows us to share our cultures.' I believe that travel has been, and will continue to be, a cord that binds people in this disparate world together."

Within days of the horrific attacks, travel industry leaders approved a comprehensive recovery plan and a message platform: Travel is a fundamental American freedom. Our goal was government action that would provide immediate, short-term stimulus and relief for travel industry companies and their employees.

And we got an early victory. In October, the Bush Administration widened access to low interest Economic Injury Disaster Loans in response to our request. By December, federal low-interest loans approved for travel industry businesses totaled more than \$9 million. This action has saved many organizations and stabilized others.

As we look forward we should always remember to look within for the reasons why each of us are employed in the travel industry. It's exciting. And we want to share our enthusiasm. I'm talking about how we rebuild consumers' confidence - about reaching out to our customers and inspiring them to travel.



The Indiana Tourism Division contributed \$5,000 to TIA's national advertising campaign. Post-campaign research revealed that the advertisements were viewed by 70 percent of Americans (145 million U.S. adults).

As we contemplate our opportunities, there are a number of predictions that the economy will improve this year. One thing is clear: The travel industry has forged ahead through some of the most challenging times in our history.

As our prospects improve, those who said, 'hunker down and wait for sunny skies to return,' have been proven wrong. We've already created the opportunities. It's time to seize them. Instead of looking at the economic forecasts, let's drive them. As one of our nation's leading employers we can lead the nation out of recession. Join me. Let's do it."

**From a speech by
Bill Norman, President and
CEO, Travel Industry
Association of America,
March 7, 2002**



Indiana Tourism Council Report

For the last three years, the 33-member Indiana Tourism Council has advised the Indiana Department of Commerce's Tourism Division through strategic planning and consensus building. The Council was instrumental in guiding Indiana's response to the terrorist attacks, the economic downturn, and the consequential Tourism Division budget reductions. Objectives included:

- An industry survey conducted in early October, 2001 to gauge the influence of national events on Indiana
- A contribution of \$5,000 from the Tourism Division's advertising budget toward the Travel Industry of America's (TIA) national "freedom to travel" television campaign.
- The development and execution of a public service campaign that encouraged Hoosiers to travel.
- The expansion of partnerships to stretch budgets in light of widespread budget reductions.
- Shoring up consumer demand by creating and airing a television campaign.

In addition to responding to extraordinary market conditions, Indiana continues to struggle with a competitive disadvantage. **While 53 million annual visitors spend an astonishing \$6.1 billion a year in Indiana**, competition from surrounding states is increasingly strong. To that end, the Council has continued to steer the Tourism Division's progress on the following programs:

1. **Welcome center and rest area improvement plan.** Indiana's eight official welcome centers and 33 rest areas host more than 25 million visitors every year. These facilities present an enormous opportunity to improve Indiana's image as a place to live, work, and travel, and to benefit local economies via information delivery. In 2001, the Tourism Division retained RLR and Associates, an interior design firm, to create plans for new visitor displays and interior finishes. With that work complete, the Indiana Department of Transportation (INDOT) has incorporated the design schematics into its facility improvement schedule, and 10 centers are slated for completion within the next five years. In addition, the Council's welcome center workgroup will be finalizing policies for local adoption of these facilities in 2002.
2. **Database marketing partnerships.** Under the Council marketing committee's direction, the Tourism Division will launch a new direct marketing initiative in 2002. This innovative program will allow partners to re-contact many of the 500,000+ households in the Tourism database with specific sales messages in a managed environment. It will also help eliminate duplication of collecting, storing, and analyzing customer data statewide.

The Tourism Council is also poised to address other industry trends and issues, such as the need for local tourism economic indicators, understanding the impact of demographic shifts on the tourism economy, the effects of earlier school start dates on tourism, Indiana's need for a tourism development initiative, weaknesses in communications with key opinion leaders, and dealing with the Tourism Division's budget situation.

For 2003, the Council has directed the Tourism Division to concentrate on two particular development programs: an aggressive attractions signage partnership with INDOT, and a marketing partnership with the Indiana Department of Natural Resources.

The Indiana Tourism Council will continue to work toward making Indiana a premier Midwest travel destination. The following pages highlight the strength of our industry and our opportunities for growth.

Research reveals that last year, you took **1.9** Indiana trips with **3.2** people for **3.1** nights and spent **\$68.45** per person per day.

This year, might we suggest **2.9** trips?

The 107,899 Hoosiers employed in Indiana's hospitality industry will thank you for it!



Public Service Campaign

The public service campaign, which included an op-ed by Lt. Governor (and Tourism Council chair) Joe Kernan, a radio announcement by First Lady Judy O'Bannon, three newspaper print advertising slicks, and "how to" kits to assist local industry representatives in securing media placements, was a resounding success. Since January 2002, a dozen newspapers have printed the op-ed, 18 radio stations have aired Mrs. O'Bannon's spots more than 100 times, and 12 newspapers have run a total of 30 print ads statewide. The campaign can be measured by the fact that the Tourism Division's web site, EnjoyIndiana.com, which was the call to action on all components, has experienced twice the number of user sessions that it did in the same months the previous year.

Television Advertising

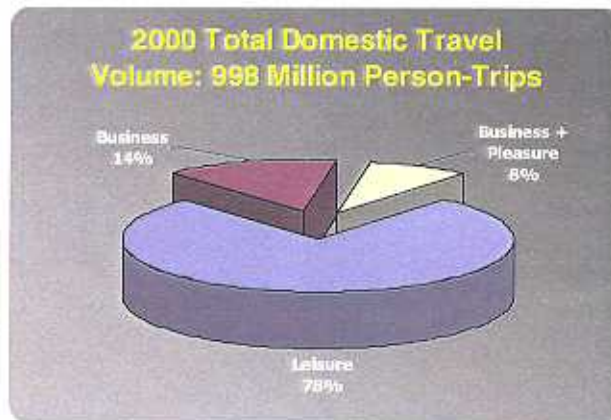
In the spring of 2002, the Tourism Division scheduled a new television advertising campaign that contained a montage of footage and still photos taken by actual Indiana travelers and containing the message "how far do you really have to go to bring back a smile?" The schedule included 3,695 spots on 30 stations throughout Indiana and in Cincinnati and Louisville.

U.S. Tourism Facts

Economic Impact of Travel in the U.S. (2000P)

Source: TIA, TI/ITA

Travel Expenditures	\$584.3 Billion
Travel-generated payroll	\$173.7 Billion
Travel-generated employment	7.8 Million jobs
Travel-generated tax revenue	\$100 Billion
Trade surplus	\$14.0 Billion



Source: TIA

Tourism Industry Issues

The short-term logistical problem related to the disruption of the nation's travel infrastructure has begun to slowly unwind. However, the psychological scars will take much longer to heal, and it will likely be some time before **travel volume** approaches anything close to "normal" levels.

Recent **gasoline supply** problems in the Midwest may have been a sign of things to come in the absence of long-term solutions to the country's energy needs.

Demographic shifts affecting travel: Travel and tourism organizations need to prepare for the explosive growth of the mature consumer market, which already accounts for nearly one-third of all U.S. domestic travel. Significant increases in travel have been measured over the past three years by minority Americans including African-Americans (up 16%), Hispanics (up 11%), and Asian-Americans (up 7%). Minority groups have distinct preferences in their participation in specific pastimes while traveling. Source: TIA

Did you know? A one-day visit by a motorcoach group leaves up to \$4,500 in a destination's economy. An overnight visit spends up to \$11,200, and a two-night up to \$16,000. Approximately 3,600 private motorcoach companies operate in the U.S. and carry about 774 million passengers per year (compared with 568 million by commercial air carrier). Source: ABA

National Travel Trends

Two-thirds of the 90 million travelers who are online (59 million) used the Internet to make travel plans in 2000. E-travel consumers tend to be heavy travelers who use the Internet about 16 hours/week. Sixty-six percent do more than half of all trip planning online. Booking travel online continues to increase - 27% of all travelers online made travel reservations in 2000, up 60% over 1999. Most common purchases were airline tickets (20 million people), and hotel accommodations (15 million). Those who purchase travel products on the Internet spent an average of \$2,100 per year. Pleasure travelers are only slightly less likely than business travelers to stay "wired" while away from home. 47% bring a cell phone, 15% bring their pager, and 8% bring a laptop computer. 22% use the Internet or email while on a pleasure trips. Source: TIA

More than 36% of business trips combine business and pleasure travel, a trend that is on the rise. Exploring at one's own pace appeals to many Americans. Nearly 25% of all U.S. travelers (34.8 million U.S. adults) have taken a trip by themselves in the past three years. 25% of summer travelers (24.4 million U.S. adults) planned to attend a family reunion in 2001, with 73% saying they would drive to their destination. 16% of U.S. Travelers (22.6 million adults) gave a trip or part of a trip as a gift in the past three years. Source: TIA

Weekend travel is more popular than ever. Nearly half of all U.S. adults take at least one weekend trip per year. 40% of weekend travelers report they are taking more day or weekend trips than five years ago. Most weekend travelers make last-minute plans, selecting their destination within two weeks of the trip. 30% take advantage of discounts or special offers while planning their trip. Cities and small towns are the most favored destinations for weekend travelers. Source: TIA.

Tourism In Indiana

The Economic Impact of Tourism in Indiana

Source: TIA, TI/ITA 1999

Total Visitor Expenditures	\$6.1 Billion
Total Direct Jobs (FTE)	107,800
Payroll	\$2.0 Billion
State Government Tax Receipts	\$341 million
Local Government Tax Receipts	\$118 million
Visitor Spending Rank (U.S.)	26 th

Travel Volume

Source: D.K. Shifflet

Total leisure visitors	37.1 million
Total business visitors	16.7 million
TOTAL DOMESTIC VISITORS	53.8 million

Visitor Profile

The typical overnight leisure traveler is 53 years of age, married (77%), has attended college or tech school (87%), and has a household income of \$50,000. The average Indiana travel party takes 2.9 trips to or within Indiana every year and spends \$835 per travel party per trip. 33% percent of all trip parties originate in Indiana, 15% in Illinois, and 11% in Ohio. Source: 2001 Conversion Study & D.K. Shifflet

Size of Indiana's Tourism Industry

Indiana has more than 15,000 private and non-profit businesses that depend, in whole or in part, on visitor spending including 850 attractions, 1,100 hotels and motels, 210 bed & breakfasts, and 1,100 festivals. Source: ITC

Destination Marketing Organizations

Fifty-nine of Indiana's 92 counties have convention and visitors bureaus funded by innkeepers taxes. Their combined marketing budgets total \$16.6 million. The Association of Indiana Convention & Visitor Bureaus was the first in the nation to develop professional standards and a nationally acclaimed accreditation program.

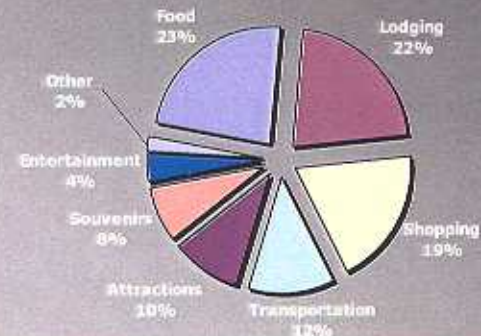
"Let the neighbor kids talk about all the fun they had at Kings Island...while standing in line. And don't even bat an eye when your co-worker brags about his trip to Disney World and then bums some change for a cup of coffee because he's broke. Just go right on smiling. Because you know what they don't. One of the best theme park values is right here in Indiana at Holiday World & Splashin' Safari, one of the nation's oldest theme parks. - Associated Press, July 2001

"Packed with arts and culture, internationally known sporting events, an eclectic collection of restaurants and stores, Indianapolis is comprised of a diversity of cultures that make it Indiana's most flourishing city."

- *Black Meetings & Tourism*

March 2001

Indiana Travel Parties Spend \$835 Per Trip



Source: 2001 Conversion Study

What Visitors Enjoy in Indiana

Activity	% Travel Parties Participating
Scenic beauty	81%
Shopping	70%
Small or quaint towns	65%
Unique restaurants	62%
Scenic/driving tours	59%
Historic sites	53%
Visit with friends	52%
Art/cultural museums	40%
Distinctive architecture	36%
Visit with relatives	36%
Lakes/rivers/natural features	34%
Larger, metropolitan cities	28%
Amusement/theme parks	25%
Outdoor activities	22%
Fairs/festivals	21%
Antique shopping	17%
State/national parks	17%
Sporting events	12%
Nightlife	12%
Casino gaming	11%
Popular music concert	8%

Indiana Tourism Division

The Indiana Tourism Division's mission is to stimulate visitor spending and economic growth by developing and promoting quality travel experiences in Indiana.

Indiana Tourism Division Funding Position

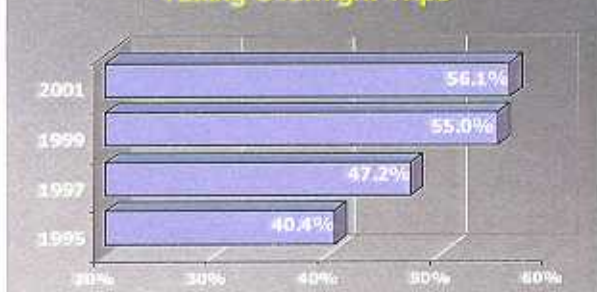
Source: TIA (2000-2001)

State	U.S. Rank	Budget
Illinois	1	\$61.0 million
Michigan	11	15.8 million
Wisconsin	12	15.5 million
Kentucky	29	7.2 million
Ohio	33	6.4 million
Indiana	41	4.5 million
REGION AVERAGE	(excl. IN)	\$18.2 million

Return on Investment:

The State of Indiana realizes \$234 in visitor spending for every \$1 invested in marketing, and \$12 in sales tax for every \$1 invested in marketing. Since 1996, the direct-spending return on Indiana's marketing activities has increased 22%. Source: 2001 Conversion Study

% of Ad Respondents Taking Overnight Trips



More than 56% of the people who respond to marketing and request travel information take an overnight trip to the state. The total percentage of respondents that become travelers has increased more than 40% since 1995, attributable to a more market-focused advertising strategy. Source: 2001 Conversion Study

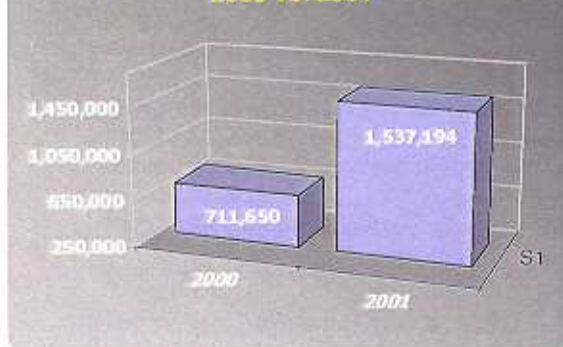
% of Indiana Travelers Using Internet for Indiana Travel Information



Methods traditionally used by travelers to research destinations are steadily decreasing, while use of the Internet is on the rise.

Source: 2001 Conversion Study

EnjoyIndiana.com Unique Users 2000 vs. 2001



Since its launch in March 2000, the annual visitor traffic to EnjoyIndiana.com has more than doubled. Page views increased from 2.5 million in 2000 to 6.3 million in 2001. In addition, 50% of respondents to advertising with Internet access have an awareness of EnjoyIndiana.com, suggesting that promotional efforts have been very effective. Source: Statistics Server, 2001 Conversion Study



Headlines

Tourism industry weighs in on Tourism Division programs

Welcome centers, the Indiana Travel Guide, and EnjoyIndiana.com ranked as the top three Tourism Division programs in importance and relevance in a 2001 poll of industry executives.

Revenue-generating business model is unique in the nation

In 1996, Indiana Tourism contracted six independent regional managers to develop tourism partnerships. In 2001, this program raised more than \$2.1 million from 1,200 partners, an 86% increase in revenues since 1998.

Co-op advertising program maximizes Indiana's marketing presence

Tourism negotiates rates and re-sells magazine and newspaper ad space to industry partners, saving partners 30-60% off rate card prices. Tourism's \$150,000 investment leverages \$500,000 in partner contributions, a 300% return.

Indiana first state to offer on-line advertising to industry partners

In 2002, Indiana began offering a web presence to partners participating in its print publications. This partnership generates more than \$340,000 in revenue annually to help fund updates and maintenance of EnjoyIndiana.com.

Novel "subscription" program builds relationships with customers and saves state dollars

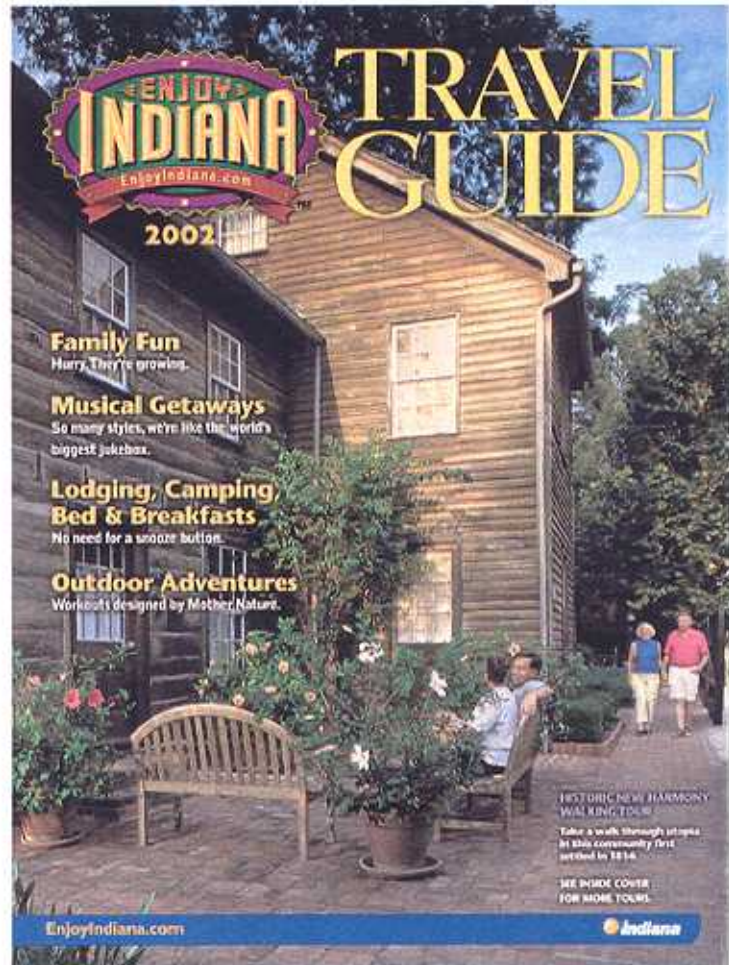
In 2001, Indiana Tourism implemented a marketing program designed to generate "subscribers" - households would receive publications and email messages automatically, saving fulfillment costs and providing better customer service. The initial goal of 50,000 subscribers in the first year was exceeded by 54%. By March 2002, 88,000 subscribers were on the books.

Public relations value tops \$2.5 million

In 2001, Indiana Tourism was instrumental in the placement of 680+ news and feature articles and broadcast news stories with an advertising value of \$2,500,000. An impressive return on the investment of one staff person and a small public relations contract.

Enjoy Indiana Week cited nationally by TIA

This innovative idea to promote National Tourism Week included persuading more than 140 Indiana attractions to offer free or 2-for-1 admission the first week of March 2001. The successful program will be expanded and enhanced in 2002.



Indiana's Travel Product

11,000 entertainment/recreation industry jobs are directly supported by visitor spending in Indiana. Source: TIA, TI/ITA

21% of all U.S. Adults attended a festival or event while on a trip in the past year. Source: TIA

"From the tremendous amount of advance publicity...to the excitement of being part of a great community event, it is easy to understand why Powerboat Superleague teams and officials voted the A Roar of Thunder Regatta [Aurora] as the circuit's **Best Site for 2001.**" - Powerboat Superleague, November 2001 awards ceremony

International Events

In September 2002, Indiana will host an **unprecedented number of international events** that will draw visitors from more than 30 countries:

The U.S. Grand Prix, World Basketball Tournament and the International Violin Competition in Indianapolis.

The World Hovercraft Championships & Symposium in Terre Haute; the James Dean Festival in Fairmount; and the world's largest classic automobile auction in Auburn.



The Children's Museum of Indianapolis

Indiana's Casinos Rank Third in Nation for Tax Revenue Contributions

70% of Indiana casino host communities said they believe casinos have a positive impact on the economy and job market in the area. Source: CAI

Number of operating casinos	10
Gross gaming revenue	\$1.7 billion
Gaming tax revenue	\$453.5 million
Gaming tax revenue contribution rank (U.S.)	3rd
Total employment (5 th largest employer in IN)	16,968
Employee wages & benefits	\$404.3 million

Indiana Communities are Attractions in Their Own Right

The National Trust for Historic Preservation named **Madison** as one of its Dozen Distinctive Destinations for 2001 because of its dynamic downtown, commitment to historic preservation, interesting architecture, cultural diversity, and walking ability. **Warsaw** was listed among the 40 Most Important Cities in the World for Design in the February 2002 issue of International Design Magazine. San Francisco, New York, Milan, and Singapore were listed in the same category.

In the May 2001 issue of Midwest Living Magazine, readers responded to the latest travel survey by naming **Shipshewana** in the top five Best Small Towns to Visit and **Brown County State Park** as the third best national, state, or county park.



Brown County State Park

Indiana Attractions Generate National Attention

The Discovery Channel named **Holiday World's The Raven** the World's #1 Wooden Coaster in its TV special "More Top 10 Coasters," which premiered in May 2001. Child magazine ranked the **Children's Museum of Indianapolis** as the Best Children's Museum in the Country in its February 2002 issue. The Indiana Main Street Council honored **Harps on Main** in Rising Sun as 2001 Main Street Business of the Year. This successful custom harp-making business moved to Indiana from California in 1998 in an effort to build an active arts community and encourage economic development. Six buildings in **Columbus** were designated National Historic Landmarks by the National Park Service in 2001. This is the first multiple property listing to obtain National Landmark Site status for buildings less than 50 years old. Sports Illustrated named **Victory Field** as the Best Minor League Ballpark in America in its August 2001 issue. In January 2001, the Travel Channel designated **Argosy Casino & Hotel** in Lawrenceburg as fourth among the World's Top 10 Places To Strike It Rich.

Indiana Travelers Spend \$947 Million Annually on Outdoor Recreation

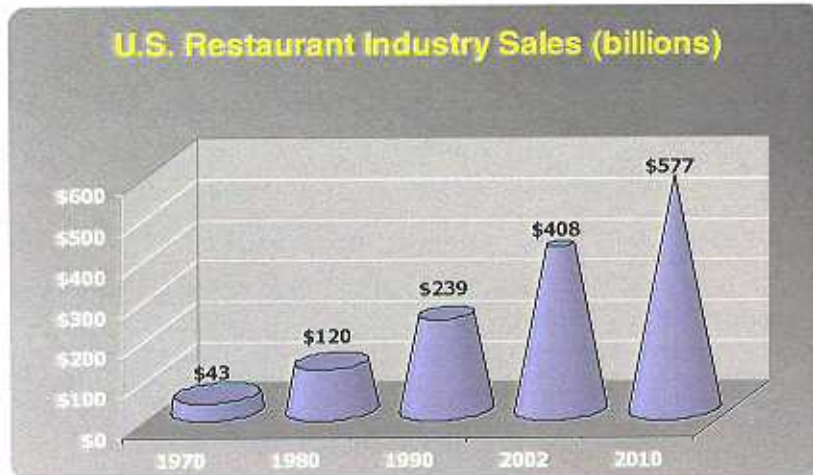
Source: Niche Analysis Report

Indiana's 22 **state parks** together generate 12 million visitor days per year. Of the 135,000 available room nights at state park inns, 40% are occupied by out-of-state travelers. Source: Indiana DNR.

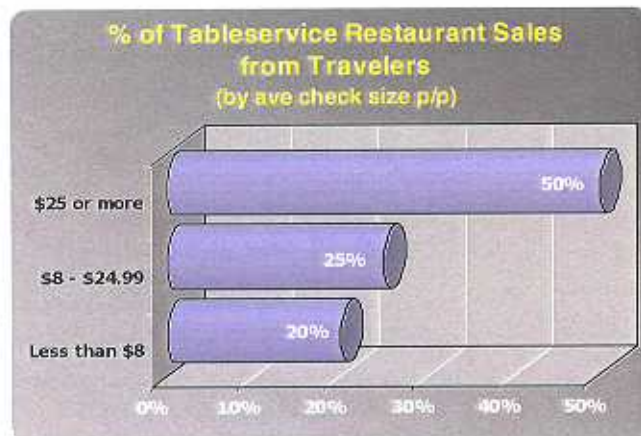
Indiana has more than 200 **campgrounds** and 35,000 campsites generating \$30 million in revenue annually. Tourist spending by these campers is estimated at \$320 million. 48% of all American-made RVs are built in Indiana, directly employing 28,500 Hoosiers. Source: RVIC

"Lake and Lodge Outfitters in Noblesville is stocked like a hip wader's fever dream. Antique fishing gear, gargantuan mounts, apparel and knickknacks from countries far flung, shoppers are transported to a bodega on the banks of a jungle stream." - AAA *Midwest Traveler*, July, 2001

Lodging and Restaurants



National restaurant industry sales are projected to reach \$577 billion by 2010. The restaurant industry's share of the food dollar is currently 46.1 percent and is expected to reach 53% in 2010. The restaurant industry employs 11.6 million people – 8 % of total U.S. employment, making it the nation's largest private-sector employer. More than 33% of Americans have worked in the restaurant industry at some point in their lives. The 1.5 million foodservice and lodging managers in the tourism industry represent the largest number of managerial employees in the country. Source: NRA



More than two-thirds of table service restaurant operators report that tourists are important to their business. This trend is even more prevalent among operators of establishments with higher check sizes. Source: NRA

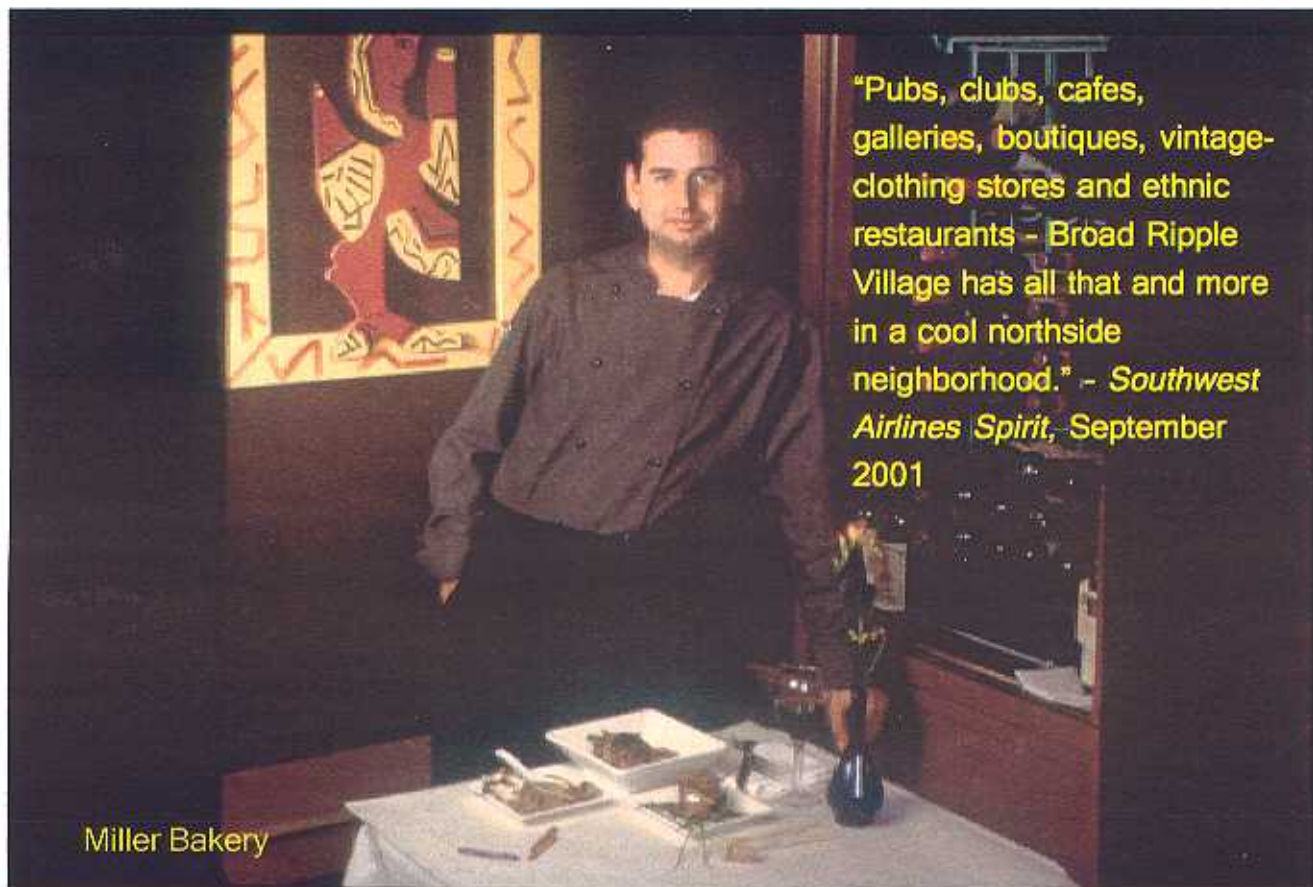
Travelers spend \$1.6 Billion in Indiana Restaurants Every Year, Supporting 38,400 Foodservice Jobs

In total, Indiana's 13,164 restaurants, with sales of \$6.5 billion, support 203,000 employees, making restaurants the second largest employer in the state. Sales are projected to grow 4.1% in the next year. Sources: NRA, TIA

Restaurants in downtown Indianapolis say that easily 45-50% of their business comes from travelers. In terms of sales, the area's Ruth's Chris Steakhouse, Palomino, PF Changs, and Buca di Beppo are the #1 or #2 franchises of their brands in the country.

"...**Aurora** is a true river city, with much of the town's 1819 origins founded on river-related business...If you're in the mood for casual food, stop in The Coachlight Inn on Third and Main, or sample from the buffet al fresco on The Applewood's verandah."

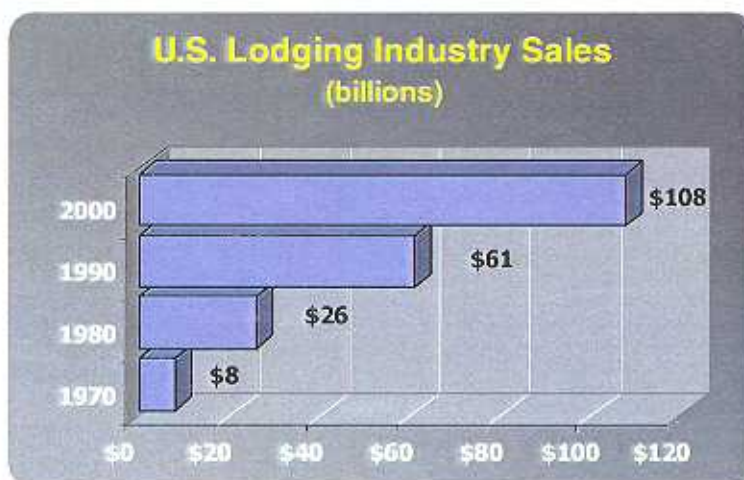
– **AAA Home & Away**, November 2001



Visitors spend more than \$1 billion per year in Indiana's 1,100 hotels and 200-plus B & B properties

Visitor spending directly supports 17,700 full-time equivalent lodging industry jobs.
Source: TIA

The tremendous sales escalation in the lodging industry is due in large part to the growth in total number of available rooms and average room rates coupled with the fact that occupancy rates have remained between 63% and 65% since 1970. The total number of rooms in the U.S. grew from 1.6 million in 1970 to 4.1 million in 2000. The average room rate in 1970 was \$19.83 compared to \$85.89 in 2000. Total 2000 expenditures by travelers staying in a hotel/motel was \$326.3 billion (6% growth over 1999). Source: AH&LA



Indiana Tourism Council

Purpose

The Indiana Tourism Council was established by the Indiana legislature in 1997 and acts as an advisory body to the Indiana Tourism Division. The Council is charged with:

1. Assisting in developing goals and objectives for the Indiana Tourism Division
2. Establishing advisory groups to make recommendations to the Division on tourism research, development, and marketing
3. Analyzing the results and effectiveness of grants made by the department
4. Building commitment and unity among tourism industry groups
5. Creating a forum for sharing talent, resources, and ideas regarding tourism
6. Encouraging public and private participation necessary for the promotion of tourism
7. Making recommendations to the Division regarding any matter involving tourism

Membership

The Council is chaired by the Lt. Governor and is made up of 33 members appointed for their leadership and communications skills with the intent of forming an active, aggressive, results-driven group.

Lt. Governor Joe Kernan, Chair

Government Officials

Lynne Fuller, Acting Director, Indiana Tourism Division
John Goss, Director, Indiana Department of Natural Resources
Bryan Nicol, Commissioner, Indiana Department of Transportation

Governor Appointees

John Chidester, Holiday World
Tina Connor, Historic Landmarks Foundation of Indiana
John Greulich, Ramada Inn Columbus
John Herbst, Conner Prairie
Marcia Hoyt, Lantz House Inn
Bob R. Miller, Das Dutchman Essenhaus
Andy Rogers, Brown County Restaurants and Hotels
Tom Spackman, Indiana Beach
Bill Wellman, Whiteco Industries
Rev Charles Williams, Indiana Black Expo
Connie Weinzapfel, Historic New Harmony

Indiana Legislators

SEN. James Merritt, District 31
SEN. Connie Spies, District 46
REP. Jerry Denbo, District 44
REP. David Yount, District 59

Association Representatives

Mike Chesser, Recreational Vehicle Indiana Council
Cheryl DeVol-Glowinski, Casino Association of Indiana
John Livengood, Restaurant & Hospitality Association of Indiana
Brenda Myers, Tour Indiana Motorcoach Council
Dennis Orwin, Indiana Bed & Breakfast Association
Tom Richardson, Indiana Hotel & Lodging Association
Amy Vaughan, Assoc. of Indiana Convention & Visitor's Bureaus
Doug Weishelt, Indiana State Festivals Association

Regional Representatives

Dionne Wisniewski, Northern
Randy Ballinger, Eastern
Bill McGowan, Central
Sharon Kenny, Western
Linda Lytle, South Central
Gordon Smith, Southern



Member Responsibility

Since the primary purpose of the Council is communications between all segments of the industry, members take responsibility for...

- Acting as the published point of contact for their representative industry group or geographic region.
- Bringing industry issues to the Council executive committee or Council meetings for discussion.
- Placing Council updates into member association newsletters and/or in other appropriate correspondence.
- Sharing Council news with related industry groups at professional functions.

Schedule

The Indiana Tourism Council meets quarterly, with one meeting per year serving as an annual retreat to fully examine issues affecting travel and tourism in Indiana. All meetings are open to the public.

Work Groups and Committees

Each year, the Council determines priorities, sets goals, assigns responsibility to various work groups and committees. Committees are standing groups that retain their members over time, work toward long-term objectives and give on-going guidance to the Tourism Division. Workgroups are teams that concentrate on specific projects with shorter timelines. Council members and non-Council members alike are encouraged to serve. Currently, the structure is as follows:

1. **Marketing Committee:** Focuses on strategic issues relative to Tourism Division marketing goals and branding.
2. **Communications Committee:** Works to enhance the awareness, appreciation, and support of Indiana's tourism industry.
3. **Welcome Center & Rest Area Workgroup:** Is executing a plan to dramatically upgrade Indiana visitor facility interior design, interpretation, and information delivery systems.
4. **Signage Workgroup:** Will develop a strategy to drive comprehensive signage for attractions statewide.

GET INVOLVED! Communicating with an Indiana Tourism Council member is one of the best ways for you to voice your issues, concerns, and ideas. You are invited to contact any member at any time.

2002 Annual Report Sources:

American Bus Association (ABA)
American Hotel & Lodging Association (AHLA)
Casino Association of Indiana (CAI)
D.K. Shifflet 2000 Indiana Domestic Travel Report
Indiana Department of Natural Resources (DNR)
Indiana Tourism Council (ITC)
Indiana Tourism Division 2001 Conversion Study, Strategic Marketing & Research
Indiana Tourism Division Niche Analysis Report, Strategic Marketing & Research
Recreational Vehicle Indiana Council (RVIC)
Statistics Server Reports
Travel Industry Association of America (TIA)
Tourism Industries/International Trade Association (TII/ITA)